

Request for Council Action

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| Originator Purchasing | Item Electric Services with Peoples Electric Services - Approve Extension |
| Agenda Section Consent Business | Date 4/20/2015 |
| Description | |

Council is requested to approve extension of the contract with Peoples Electric Company to provide interior electrical service maintenance and construction as needed for City buildings and facilities. The current 2-year contract expires on April 30, 2015 and may be extended for an additional 2-year term.

Peoples Electric is currently in negotiations with the labor unions and are expecting an increase to their labor rates. The current contract does not allow mid-term price increases, however, Peoples Electric has asked if they can request a price increase once their labor union contracts are in place and can apply the percentage increase to the existing contract with the City.

Staff is recommending extending the current contract through April 30, 2017 with an option to request a price increase at a later date once they have entered into a contract with the labor union. Funding for these services is budgeted annually in the Facilities and Maintenance Budgets. Expenditures for these services to-date are \$267,231.31. Please note that departments outside of Public Works also utilize this contract; those expenditures are included in the above amount.

The current not-to-exceed amount for this contract is \$270,000. Council is also requested to increase the not-to-exceed contract amount by \$430,000 for a total not-to-exceed amount to \$700,000 to cover the expected cost for the total 4 year contract period. This is an average of \$175,000 a year. The large increase to the contracts not-to-exceed amount for the contract extension period is due to the expected projects over the next two years.

Requested Action

Approve the extension of contract with Peoples Electric Company for interior electrical services through April 30, 2017 with an option to increase the labor rate in the future.

Approve the increase to the not-to-exceed contract amount by \$430,000 for a total not-to-exceed amount to \$700,000 to cover the expected cost for the total 4 year contract period.

Attachments: